

China Mobile does not regard TD-SCDMA as a long-term solution

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By Cantab Wireless

It is generally believed that China Mobile was less than enthusiastic in adopting TD-SCDMA as its 3G technology. However, Chinese 3G licences came with a technology requirement and China Mobile was allocated TD-SCDMA.

Cantab Wireless indicated in its earlier LTE analyst report that China Mobile may move to the next generation LTE technology as soon as it becomes available, employing TD-SCDMA on a temporary basis only. Now recent news from China have given more weight to that analysis. In its annual report filed with the U.S. Securities and Exchange Commission (SEC), China Mobile uses quite pessimistic tone when describing the challenges caused by the use of TD-SCDMA. In addition, the same report reveals that China Mobile had only 746000 TD-SCDMA subscribers in the end of May 2009. Of the new China Mobile subscribers, only 2.4% chose TD-SCDMA.

Moreover, China Mobile is replacing some of its existing TD-SCDMA base stations, supplied by Datang, with base stations supplied by ZTE and Huawei because the new base stations are said to be upgradeable to the TD-LTE technology.

Given these developments, it looks obvious that TD-SCDMA will not have a long-term future with China Mobile.